

**IN THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF
PENNSYLVANIA**

WALTER BECK CORPORATION d/b/a
THE RAINBOW INN,

Plaintiff,

vs.

SAFECO CORPORATION, et. al.,

Defendants.

Civil Action No. 04-348-Erie

Judge Maurice B. Cohill, Jr.

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THIRD JOINT STATUS REPORT

Settlement discussions remain active. While reaching an agreement remains uncertain, both the Plaintiff and Defendants feel progress is being made and that two more weeks of discussions are warranted. In that two week period, Defendant plans to develop certain counter-cost information for Plaintiff to consider with continuing negotiations.

To accomplish the development of that information, the parties jointly request a continued negotiation period of two weeks at the end of which, the parties will jointly report the result of their activity.

Date: May 30, 2007

Meyer, Unkovic & Scott, LLP

Anstandig, McDyer & Yurcon, P.C.

By: s/ Joshua R. Lorenz
Joshua R. Lorenz, Esquire
Counsel for Plaintiff

By: s/ Daniel P. McDyer
Daniel P. McDyer, Esquire
Counsel for Defendants

So ORDERED this 5th day of June 2007.

Maurice B. Cohill, Jr.
Senior United States District Judge